

**11/30/78**

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder:  
11/30/78; Container 99

To See Complete Finding Aid:

[http://www.jimmycarterlibrary.gov/library/findingaids/Staff\\_Secretary.pdf](http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf)

# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Pres. Carter to Sec. Clifford Alexander, w/attachments 3 pp., re:Corps of Engineers	11/29/78	A
Memo	Pres. Carter to Henry Owen, w/attachments 2 pp., re:Mutilnational Trade Negotiations	11/28/78	A

## FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 11/30/78 Box 110

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE PRESIDENT'S SCHEDULE

Thursday - November 30, 1978

---

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

11:45 Secretary Joseph Califano - The Oval Office.

12:05 Present the National Outstanding Tree Farmers  
(3 min.) Award to the Reverend and Mrs. Henry Langford.  
(Mr. Frank Moore) - The Oval Office.

12:10 Mr. Brian W. Clarke. (Mr. Frank Moore).  
(1 min.) The Oval Office.

12:15 Photograph with Under Secretary of Commerce  
(5 min.) Sidney Harman. (Mr. Jack Watson) - Oval Office.

12:20 Photograph with Ms. Paula B. Wells, Chairperson,  
(2 min.) National Engineers Week. (Ms. Sarah Weddington).  
The Oval Office.

12:25 Photograph with Ms. Kimberly Ann Grant,  
(3 min.) Mountain State Forest Festival Queen.  
(Ms. Fran Voorde) - The Oval Office.

12:30 Lunch with Mrs. Rosalynn Carter - Oval Office.  
(60 min.)

4:00 News Conference. (Mr. Jody Powell).  
(30 min.) Room 450, EOB.

4:45 Drop-by Briefing for Newly-elected House  
(15 min.) Democrats. (Mr. Frank Moore) - The East Room.

THE WHITE HOUSE  
WASHINGTON  
30 Nov 78

Stu Eizenstat

The attached was returned in  
the President's outbox today.  
It is forwarded to you for  
appropriate handling.

Rick Hutcheson



THE WHITE HOUSE  
WASHINGTON

30 Nov 78

Secretary Andrus

The attached was returned in  
the President's outbox today.  
It is forwarded to you for  
appropriate handling.

Rick Hutcheson

*Received joint memo and Andrus memo.*

THE WHITE HOUSE  
WASHINGTON

30 Nov 78

Secretary Bergland

The attached was returned in  
the President's outbox today.  
It is forwarded to you for  
appropriate handling.

Rick Hutcheson

Received joint memo and Bergland memo.

THE WHITE HOUSE  
WASHINGTON  
November 29, 1978

cc Cecil  
Bob  
Stu  
J

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
CECIL ANDRUS  
BOB BERGLAND  
SUBJECT: Alaska Lands

Secretaries Andrus and Bergland have completed the work you requested concerning administrative actions to protect Alaska lands until Congress enacts legislation. Their letters are attached. I met at the White House yesterday with them and their staffs, with Justice Department officials, CEQ and OMB. Each Secretary has already taken actions under the Federal Land Policy and Management Act (FLPMA) to withdraw temporarily all of the areas of concern from mineral entry and from selection of lands by the State (although the protection against State selections is uncertain under this statute). In addition, they propose that you take actions under the Antiquities Act to create National Monuments to provide strong and certain protection for the most critical areas.

Following are the recommendations supported by all relevant agencies:

1. Interior Department lands (proposed National Parks and National Wildlife Refuges):

- a. Secretary Andrus has already withdrawn under Section 204(e) of FLPMA all proposed park and refuge areas included in either the Administration or Congressional proposals for Interior Department lands. These "emergency" withdrawals protect against mineral entry (and perhaps against State selection) for a period of three years. The withdrawals cover approximately 105 million acres.
- b. Secretary Andrus proposes that you designate parts of all 13 of the National Park proposals and 2 of the 14 National Wildlife Refuge proposals as National Monuments under the Antiquities Act.

These Monuments would cover approximately 52 million acres. The boundaries have been drawn carefully to insure that the areas included can be firmly justified under the Antiquities Act, which authorizes protection of scientific and historic objects. The exercise of subsistence hunting rights would be protected in these Monuments. It is the consensus of the agencies that Antiquities Act protection is necessary given the uncertainty of whether Section 204 FLPMA withdrawals can legally prevent State selection. The Antiquities Act protection would be layered on top of the temporary withdrawals under FLPMA. However, the Act would not be used (as environmental groups have urged) to cover all land within the composite boundaries of the House and Senate bills and the Administration's proposal since the Justice Department, as well as the Interior Department, feel that this would encourage the courts to strike down use of the Act as overreaching the intent of the Act to create specific natural monuments.

- c. Secretary Andrus also proposes to move ahead with the necessary Secretarial orders under FLPMA to designate officially the remaining 12 refuge proposals as National Wildlife Refuges. These Refuge proposals include approximately 40 million acres. This process could take several months.
- d. All of the underlying withdrawals would remain in place so that if challenges to your Antiquities Act designations are successful, some protection would remain under FLPMA.

2. Agriculture Department lands (National Forest proposed for Wilderness Areas):

- a. Secretary Bergland has started action to segregate under Section 204(b) of FLPMA all of the National Forest areas proposed for wilderness. These segregations protect against mineral entry (and perhaps against State selection) for a period of two years. The proposals cover a total of 11 million acres.



- b. He proposes that you designate 2 of the 7 proposed wilderness areas as National Monuments under the Antiquities Act. These two areas are the most important of the proposals and cover a total of approximately 3.4 million acres.
- c. As with the Interior lands, underlying withdrawals would remain in force.
- d. Secretary Bergland has also taken steps to assure that management decisions within the discretion of the Forest Service protect the proposed wilderness areas, for example, precluding timber sales.

### PROS AND CONS OF THE PROPOSALS

#### Pros

- The Antiquities Act is the strongest and best tool available to assure protection. FLPMA withdrawals may not protect against State selections and because they are temporary, do not protect the lands in the event Congress does not act.
- These actions will be a significant spur to legislation next year. Because in some cases the National Monument designations will be more restrictive than our legislative proposals (most notably in the National Forest areas and with respect to sport hunting in certain Interior Department areas), and because they can be modified only by legislation, more of the interested parties will support legislative action than last year. The advantage of delay by Stevens and Gravel will have been eliminated.
- While the environmental community recommended across-the-board application of the Antiquities Act, we believe that they will be supportive of this proposal. Broader use would increase the possibility of the Courts overturning your actions. Moving to designate the remaining Refuge proposals administratively will reassure our supporters of our commitment to the entire package.

- The use of the Antiquities Act allows you personally to demonstrate your commitment to preservation of Alaska lands. Regardless of the outcome of legislation, your action will be viewed as strong and decisive.
- The actions are legally defensible. We expect further litigation on this issue, but believe that the balanced use of the various authorities and the decision process which has been followed puts us on firm legal ground. (There is some risk stemming from the fact that the Antiquities Act has never been used so extensively before. Another liability is the fact that the National Forest Monument proposals have not been treated in an environmental impact statement and this action may raise the question of the applicability of the National Environmental Policy Act to the President. Justice and CEQ believe that your actions are not covered by NEPA and the Federal District Court in Alaska has stated in its written opinion on the State's motion last week that NEPA does not apply to the President.)
- These actions will be generally received favorably everywhere except Alaska, although some Alaskans, notably commercial fishermen and native groups, will not oppose these actions. A broad cross-section of the Congress has requested that you take such actions and will not object to its unilateral nature. Congressman Udall urges strong action including use of the Antiquities Act and Senator Jackson will not object. You have been sent letters signed by 146 Congressmen and Senators urging strong action to protect these lands until the legislation passes. Opposition will be vocal, however, from the Alaska delegation and certain development interests.

#### Cons

- Use of the Antiquities Act will mean your decisions will probably be reviewed by the Federal Courts. This is particularly significant with respect to the Forest Service Monument proposals where we are likely to have a test

of the applicability of the National Environmental Policy Act to the President. However, the Federal judge in Alaska has just indicated that he does not believe NEPA applies to the President. The other possible risk is a Court decision striking down your actions on the basis that the Antiquities Act was never intended for such extensive use. However, as we have noted, we believe the legal risks have been minimized and are encouraged by the ruling of the Federal Court in Alaska. Furthermore, Congress should act long before the Courts finally rule and adverse decisions in lower Courts may actually spur legislation.

- The environmental community may feel that the use of the Antiquities Act is not sufficiently extensive.
- The reaction in Alaska will be very negative. Senators Stevens and Gravel will be particularly vocal.
- Because some of the actions will be more stringent than our legislative proposals, we will be criticized by Stevens and Gravel, development interests and sport hunting interests for having gone beyond our stated position for protection of these lands. Sport hunting will be precluded in some areas where neither the House, Senate or the Administration proposed such restrictions in legislative proposals, and mineral entry will be precluded in National Forest areas where the Administration proposals would have left them open under the Wilderness Act until 1984 (Congressional proposals closed them, however). These objections will be particularly strong with respect to the Forest Service areas. (However, as noted above, this will help spur legislation.)

RECOMMENDATIONS

These proposals have the concurrence of OMB, CEQ, Frank Moore's office, Anne Wexler's office, Jack Watson's office and Bob Lipshutz. Interior, Agriculture and the Domestic Policy Staff recommend adoption of the entire package.

Justice believes the legal risks are not sufficient to deter you from taking these actions. They are very optimistic about Court rulings since the Federal District Court rejected the State's motion for a preliminary injunction last week and since the Judge's statement that NEPA does not apply to Presidential action.

The proclamations are being put in final form and an announcement scenario is being developed. Congressional Liaison has also developed a Congressional notification strategy which would follow your signing of the proclamations but precede public announcement.

DECISION

      ✓       Approve recommended package (consensus)  
                   Disapprove  
                   See me

NOTE: Additional detailed maps and information are available on each specific area should you wish to review it.

# ADMINISTRATIVE ALTERNATIVE ACTION ALASKA d-2 LANDS

DRAFT NO. 1 OCTOBER 12, 1978

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
**ALASKA**

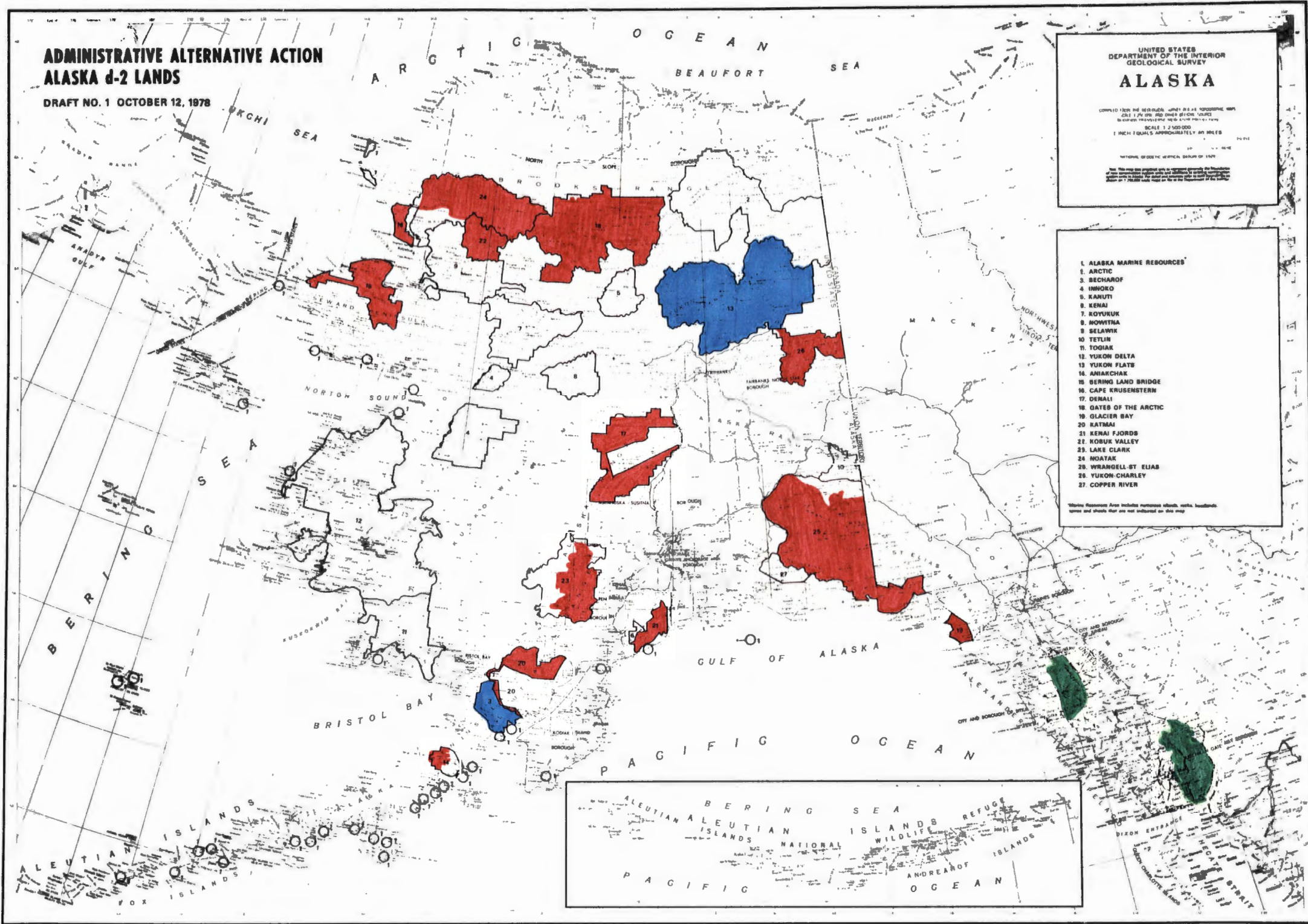
COMPILED FROM THE GEOLOGICAL SURVEY'S 1:250,000 SCALE MAPS  
AND 1:50,000 SCALE MAPS  
IN ACCORDANCE WITH THE 1978 ACT  
SCALE 1:250,000  
1 INCH EQUALS APPROXIMATELY 65 MILES

NATIONAL GEOGRAPHIC SOCIETY, BUREAU OF 1978

1. ALASKA MARINE RESOURCES
2. ARCTIC
3. BECHAROF
4. INNGRO
5. KANUTI
6. KENAI
7. ROYUKUK
8. NOWITNA
9. SELAWIK
10. TETLIN
11. TOGIAK
12. YUKON DELTA
13. YUKON FLATS
14. ANARCHAS
15. SERING LAND BRIDGE
16. CAPE KRUSENSTERN
17. DENALI
18. GATES OF THE ARCTIC
19. GLACIER BAY
20. KATMAI
21. KENAI FJORDS
22. KOBUK VALLEY
23. LAKE CLARK
24. HOATAK
25. WRANGELL ST. ELIAS
26. YUKON-CHARLEY
27. COPPER RIVER

Other Resources Areas include numerous islands, reefs, headlands, and shoals that are not indicated on this map.

RED: Park Monuments  
BLUE: Fish and Wildlife Monuments  
GREEN: Forest Monuments  
OTHER OUTLINED AREAS: Secretarial Withdrawals







# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

cc Cecil  
J

November 28, 1978

## MEMORANDUM TO THE PRESIDENT

FROM: The Secretary of the Interior *EDE*

SUBJECT: Alaska National Interest Lands

You have an historic opportunity to protect vast tracts of land in Alaska which are virtually untouched by man. The Congress was unable to meet its own deadline of December 16, 1978, to decide what portion of Alaska's 375 million acres should be designated as units of the national park, wildlife refuge, wild and scenic river and forest system. As a result, the Administration must now act to assure that these lands are not despoiled while we await Congressional action.

While I remain hopeful that the 96th Congress will enact legislation to establish these areas as units of the national conservation systems, such action is not guaranteed. In the meantime, the expiration of the present withdrawals and various legal threats which could open up the land to exploitation make it incumbent upon us to act decisively now.

On November 16, I exercised my authority under Section 204(e) of the Federal Land Policy and Management Act to withdraw for three years approximately 105 million acres from mineral entry and state selection. However, that withdrawal may be challenged in the courts, along with the existing withdrawals which are already the subject of litigation. Therefore, I firmly believe that additional action is needed to protect these pristine lands.

The strongest authority available to us is the Antiquities Act which authorizes the President to establish national monuments. First used by Teddy Roosevelt, this authority has been used over the years to create sixty-six national monuments, including the Grand Canyon and the Tetons - now national parks.

Our resource professionals, the conservation community and many Members of Congress believe that all of the areas in the various legislative proposals qualify and should be designated as national monuments. I have made a very careful analysis of the areas and determined that while all may qualify, it would be prudent to use the Antiquities Act selectively to protect key areas and to rely on my recent FLPMA withdrawal to protect the remainder of the areas until Congress acts.

Some may argue that what I propose is immoderate, because no President has ever taken an action of this magnitude -- nor will any future President have the opportunity to do so. Outside of Alaska, there are no more frontiers, only remnants of our natural heritage.

Some may accuse the Administration of usurping the prerogatives of Congress, but that accusation is unfounded. The House passed a bill encompassing more acreage than the administration's recommendation by a vote of 277-31. The full Senate never had an opportunity to act on the legislation because of the opposition of one Senator. We are now in the position of remedying this unfortunate situation, and you have recently received a letter from more than 120 members of Congress urging such action.

I do not minimize the risks. Those who have opposed the legislation all along will continue to do so and will protest vehemently. We have already been sued by the State, but we won that round. I expect we will be besieged by other legal action, however, we have planned and evaluated carefully and believe we will prevail. I have no doubt that from the standpoint of the national interest, we must take action now despite the risks.

An excess of caution will gain us nothing. Boldness will assure that the crown jewels of Alaska will be preserved for the enjoyment of our grandchildren. If Congress wishes to pawn those jewels, let them do so knowingly, but we should not foreclose their opportunities by failing to give them that opportunity.

Therefore, I recommend that you designate as national monuments all of the areas which the Administration recommended for

inclusion in the National Park System: Aniakchak, Bering Land Bridge, Cape Krusenstern, Denali, Gates of the Arctic, Glacier Bay, Katmai, Kenai Fjords, Kobuk Valley, Lake Clark, Noatak, Wrangell-St. Elias and Yukon-Charley. In addition, I recommend that you designate two of the areas we had proposed as wildlife refuges -- Yukon Flats and Becharof -- as monuments to be administered by the Fish and Wildlife Service.

The fact that I am recommending only two of the fourteen proposed wildlife refuges for monument designation should not be misinterpreted. These areas provide critical habitat for hundreds of millions of birds, as well as other wildlife and are highly qualified as additions to the Refuge system. We are now undertaking the procedural steps to make final withdrawals of these areas should the 96th Congress fail to act expeditiously.

The years of study which went into the development of the Administration's legislative recommendations, the subsequent intensive scrutiny by Congress, and our recent analyses under the framework of the Antiquities Act provide a firm factual basis for my recommendations.

The monument boundaries I am recommending have been carefully drawn on the basis of the criteria of the Antiquities Act. Some are smaller than the Administration's proposal to Congress. Others include additions made to our proposals by Congress which conform to the Act's standards and improve our boundaries. In three cases, we deleted areas that we had recommended as park preserves.

The park monuments would be administered in the same manner as national parks with one exception: subsistence hunting by local residents would be allowed to continue. Otherwise, we would work a great hardship on the rural people of Alaska.

The two Fish and Wildlife Monuments would be administered in the same manner as existing wildlife refuges, except that mineral leasing could not be permitted. Sport and subsistence hunting would be allowed.

In summary, the areas I recommend for your consideration comprise approximately 52 million acres. They encompass a diverse array of objects of historic and scientific interest as well as landscapes and natural and cultural resources unparalleled in the Nation.



I urge you to act now to protect these priceless resources.

  
Cecil D. Andrus

ok  
J



DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20250

November 28, 1978

cc Bob  
J

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

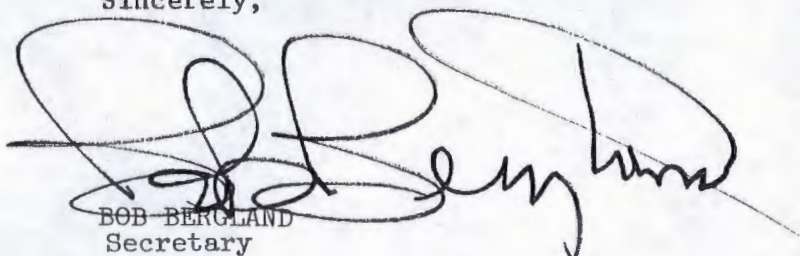
The Department of Agriculture has completed an environmental assessment report concerning the 11 million acres of lands on or adjacent to the National Forests in Alaska which have been recommended either by the Administration or by the Congress for Wilderness or other special management designation. We have taken action to further protect these lands. First, we have requested that the Secretary of the Interior withdraw the lands from mineral entry and from State selection for a period of 2 years. Second, we have taken administrative action to prevent action that would change the wilderness potential of the areas, such as timber harvesting and road building, until the Congress has the opportunity to further consider the matter.

In response to your request for advice, there are, within the 11 million acres, two areas highly suitable for designation as National Monuments under the Antiquities Act of 1906. These areas are Admiralty Island and Misty Fiords on the Tongass National Forest in southeast Alaska. While these areas will be protected by withdrawal for 2 years, National Monument status would provide permanent protection in the event Congress fails to act.

In order for National Monument designation to be consistent with the National Forest Management Act of 1976, if you were to take action, it would be necessary at the same time to amend Executive Order 6166 (June 10, 1933) to provide for continued management of these National Monuments by the Forest Service as part of the National Forest System, but subject to appropriate restrictions.

If you desire a formal recommendation from this Department, we believe it is appropriate to prepare an environmental statement on the proposed National Monument designation. We are proceeding with the preparation of such a statement. We anticipate that with an expedited environmental review and public comment it can be completed by March 15, 1979.

Sincerely,

  
BOB BERGLAND  
Secretary

ok  
J

THE WHITE HOUSE  
WASHINGTON

11-30-78

Tim -

Where is the report  
on phone calls I've  
asked for?

Get it to me  
without delay -

J

4:00 PM

THE WHITE HOUSE  
-- WASHINGTON

November 29, 1978

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE *fm.*

SUBJECT: New Members of Congress Briefing

This is just a reminder that most of the newly elected Members of Congress that you will be addressing are not well versed in the jargon of Washington. We ought to make an extra effort not to confuse them by our use of acronyms. I would suggest using full names for even the simplest ones, such as OMB, so as to have them fully understand our briefing.

4:45 PM

THE WHITE HOUSE

WASHINGTON

November 29, 1978

MEETING WITH NEW MEMBERS OF CONGRESS

Thursday, November 30, 1978  
4:45 p.m. (15 minutes)  
East Room

From: Frank Moore *f.m./pd*

I. PURPOSE

To brief newly elected Democratic Members of the House of Representatives on next year's agenda.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Every two years the House conducts an early organizational caucus in between Thanksgiving and Christmas. The program begins on Friday and adjourns prior to the mid term convention. We felt it was a good idea to give the new Members an overview of our agenda for the upcoming year prior to their getting involved with the details of committee assignments, office selection, etc. We are attempting to keep the discussion general, more in the nature of an overview. (Program attached.)

Participants: The President, Frank Moore, Bill Cable Jim Free, Valerie Pinson, Terry Straub, Bob Beckel, Secretary Vance, Secretary Brown, Dr. Brzezinski, Stu Eizenstat, Alfred Kahn, Vice President Mondale and attached group of newly elected Members.

Press Plan: White House photographer only.

III. TALKING POINTS

1. Congratulations on your election. Welcome to Washington.
2. In January we will embark on what I hope will be a very successful productive year.
3. I have been deeply involved in the development of the budget for next year. It has been a very difficult task. We were faced with tough choices and you too will have to consider many of these same choices during the budget consideration.

# THE WHITE HOUSE

WASHINGTON

November 29, 1978

## NEW MEMBERS OF CONGRESS BRIEFING SCHEDULE

1:00 p.m.	Frank Moore	Opening remarks Introduction of Congressional Liaison Staff
1:15 p.m.	Stu Eizenstat	Overview on domestic policy initiations for 1979. Q&A.
2:00 p.m.	Alfred Kahn	Overview on inflation program. Q&A.
2:45 p.m.	Vice President Walter Mondale	
3:00 p.m.	Break for refreshments	
3:15 p.m.	Zbigniew Brzezinski	Foreign policy overview
3:30 p.m.	Harold Brown	Defense issues
3:45 p.m.	Cyrus Vance	Foreign policy wrap up
4:00 p.m.	Vance Brown Brzezinski	Questions and answers
4:45 p.m.	President Carter	
5:00 p.m.	Wine and cheese reception	

J

THE WHITE HOUSE  
WASHINGTON  
30 NOV 78

Jim McIntyre

The attached was returned in the President's outbox today. IT is forwarded to you for your information. The original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

Stu Eizenstat  
Bob Lipshutz

cc: BOB LINDER

LINDER sent copies to: Adams, Cohen, Bell  
(as requested in original draft  
of letter)





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

NOV 29 1978

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*  
Director

Subject: Legislative Veto in the Airline Deregulation  
Act of 1978

On October 24, you signed into law S. 2493, the Airline Deregulation Act of 1978 (Public Law 95-504). One section of that Act contains a legislative veto provision relating to rules and regulations issued by the Secretary of Labor to implement a Federally-funded employee protection program.

Attached for your signature is a letter to Secretary Marshall directing him to treat this provision as a "report and wait" requirement, consistent with your June 21 Message to Congress on this subject.

Attachment



THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR THE SECRETARY OF LABOR

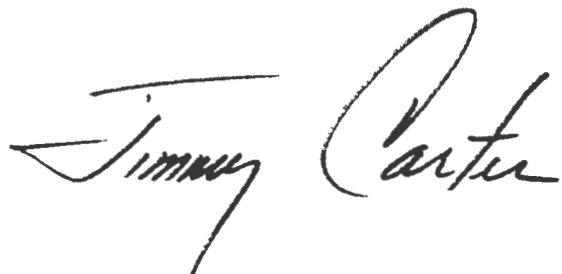
As you know, I recently signed into law S. 2493, the Airline Deregulation Act of 1978 (Public Law 95-504).

One provision in this Act establishes a Federally-funded employee protection program. The Secretary of Labor is required to issue rules and regulations establishing the level of employee payments and otherwise implementing the program. The Act also provides that all such rules and regulations must be submitted to Congress and would become effective in 60 days unless either House of Congress adopted a simple resolution disapproving them.

As I stated in my June 21, 1978, Message to Congress, I have constitutional and policy objections to such a legislative veto, since it bypasses Presidential responsibility and authority to review actions of Congress which have the force and effect of law. For this reason, I informed Congress in that message that I would interpret all such legislative veto provisions to be "report and wait" provisions. I want this interpretation to apply to the provisions in S. 2493.

Under such an interpretation, all rules and regulations issued by the Secretary of Labor on this program will be submitted to Congress and will not take effect for the 60-day-period required by the Act. If the Congress does not pass a bill or joint resolution within that 60-day-period, which would be subject to Presidential review, the rule or regulation will go into effect.

Passage of a simple resolution by either House of Congress will not delay its implementation.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J", and the last name "Carter" is written with a large, sweeping initial "C". The signature is positioned in the lower right quadrant of the page.

THE WHITE HOUSE  
WASHINGTON

11/30

Rec'd too late!

---

TSey

ID 786019

THE WHITE HOUSE

WASHINGTON

DATE: 29 NOV 78

FOR ACTION:

INFO ONLY: STU EIZENSTAT

BOB LIPSHUTZ

SUBJECT: MCINTYRE MEMO RE LEGISLATIVE VETO IN THE AIRLINE  
DEREGULATION ACT OF 1978

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*Note my recommendations:*  
① Emphasis added on page 1.  
② Elimination of paragraph on  
page 2 (as stated, it might  
imply that a joint resolution would  
be up implementation).



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

NOV 29 1978

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*  
Director

SUBJECT: Legislative Veto in the Airline Deregulation  
Act of 1978

On October 24, you signed into law S. 2493, the Airline Deregulation Act of 1978 (Public Law 95-504). One section of that Act contains a legislative veto provision relating to rules and regulations issued by the Secretary of Labor to implement a Federally-funded employee protection program.

Attached for your signature is a letter to Secretary Marshall directing him to treat this provision as a "report and wait" requirement, consistent with your June 21 Message to Congress on this subject.

Attachment

THE WHITE HOUSE

WASHINGTON

To Secretary Ray Marshall

As you know, I recently signed into law S. 2493, the Airline Deregulation Act of 1978 (Public Law 95-504).

One provision in this Act establishes a Federally-funded employee protection program. The Secretary of Labor is required to issue rules and regulations establishing the level of employee payments and otherwise implementing the program. The Act also provides that all such rules and regulations must be submitted to Congress and would become effective in 60 days unless either House of Congress adopted a simple resolution disapproving them.

As I stated in my June 21, 1978, Message to Congress, I have constitutional and policy objections to such a legislative veto, since it bypasses Presidential responsibility and authority to review actions of Congress which have the force and effect of law. For this reason, I informed Congress in that message that I would interpret all such legislative veto provisions to be "report and wait" provisions. I want this interpretation to apply to the provisions in S. 2493.

Under such an interpretation, all rules and regulations issued by the Secretary of Labor on this program will be submitted to Congress and will not take effect for the 60-day-period required by the Act. If the Congress does not pass a bill or joint resolution within that 60-day-period, which would be subject to Presidential review, the rule or regulation will go into effect.

Passage of a simple resolution by either House of Congress  
will not delay its implementation.

Sincerely,

Honorable Ray Marshall  
Secretary of Labor  
Washington, D.C. 20210

cc:

Honorable Brock Adams  
Honorable Marvin Cohen  
Honorable Griffin Bell

THE WHITE HOUSE  
WASHINGTON

To Secretary Ray Marshall

As you know, I recently signed into law S. 2493, the Airline Deregulation Act of 1978 (Public Law 95-504).

One provision in this Act establishes a Federally-funded employee protection program. The Secretary of Labor is required to issue rules and regulations establishing the level of employee payments and otherwise implementing the program. The Act also provides that all such rules and regulations must be submitted to Congress and would become effective in 60 days unless either House of Congress adopted a simple resolution disapproving them.

As I stated in my June 21, 1978, Message to Congress, I have constitutional and policy objections to such a legislative veto, since it bypasses Presidential responsibility and authority to review actions of Congress which have the force and effect of law. For this reason, I informed Congress in that message that I would interpret all such legislative veto provisions to be "report and wait" provisions. I want this interpretation to apply to the provisions in S. 2493.

Under such an interpretation, all rules and regulations issued by the Secretary of Labor on this program will be submitted to Congress and will not take effect for the 60-day-period required by the Act. If the Congress does not pass a bill or joint resolution within that 60-day-period, which would be subject to Presidential review, the rule or regulation will go into effect.

Passage of a simple resolution by either House of Congress  
will not delay its implementation.

Sincerely,

Honorable Ray Marshall  
Secretary of Labor  
Washington, D.C. 20219

cc:

Honorable Brock Adams  
Honorable Marvin Cohen  
Honorable Griffin Bell



8  
THE WHITE HOUSE  
WASHINGTON

30 Nov 78

The Vice President  
Stu Eizenstat  
Bob Lipshutz

The attached was returned in the  
President's outbox today. It  
is forwarded to you for appropriate  
handling.

Rick Hutcheson

Jody Powell  
Jerry Rafshoon

THE WHITE HOUSE  
WASHINGTON

9

MEMORANDUM FOR: THE PRESIDENT

FROM: THE VICE PRESIDENT *WJ*  
STU EIZENSTAT *Stu*  
BOB LIPSHUTZ *BL*

SUBJECT: Administration Response to the  
Stanford Daily Decision

Last June you asked the Justice Department to review possible legislative and administrative steps to protect press and possibly other third party rights in the wake of the Supreme Court's Stanford Daily decision.

Attorney General Bell has now concluded this study and submitted his recommendations for your consideration. We think he and Assistant Attorney General Phil Heymann have done an excellent job in carrying out this evaluation, and we fully support their recommendations.

The following memorandum provides a brief discussion of the major issues, the primary options that were considered, and the specific legislative recommendations of the Justice Department. Your decision is requested on both the substantive recommendations and the timing and method for announcement.

BACKGROUND

In May, 1978 the Supreme Court ruled in Stanford Daily that the Constitution does not prevent federal, state or local police from obtaining warrants to search without notice a person's business or home for evidence of a crime even if that person is not suspected of involvement in that crime.

In this particular case the Court upheld the legality of a search warrant for the offices of the Stanford Daily student newspaper for photographs of a 1971 campus demonstration, even though the newspaper staff was not suspected of participating in the demonstration. During the search for the photographs, the police searched nearly all the files and desks of the office. The newspaper argued that the search was a violation of freedom of the press because the ability of the press to gather and disseminate news is seriously hampered by searches of newspaper files which necessarily contain names of confidential sources.

The newspaper also claimed that it was improper under the Fourth Amendment to use a search warrant rather than subpoena to obtain evidence from innocent third parties. The target of a subpoena has the advantage of being able to voluntarily comply with the court's request or suffer a fine or jail, while the target of a search warrant receives no notice and is subject to surprise and forcible searches by the police. Further, the target of a subpoena, in contrast with the target of a search warrant, has the opportunity to contest the validity of the proposed action such as by a motion quash, before the action becomes a fait accompli.

Serious concerns have been raised by the press and civil liberties groups in the aftermath of the Stanford Daily decision. The decision is perceived to be of greatest threat to the press even though it affects all innocent third parties. The groups fear that the Supreme Court ruling will lead to increased use of press searches. The results could be that:

- o confidential sources of information will dry up, and the press will also lose opportunities to cover various events because of fears of the participants that press files will be readily available to the authorities;
- o reporters will be deterred from recording and preserving their recollections for future use if such information is subject to seizure;
- o searches will be physically disruptive to such an extent that timely publication will be impeded.

Additional concerns have been raised by the press and civil liberties groups about the risks associated with the use of search warrants against non-press persons not suspected of involvement for the crime ("third parties"). Such risks include the potential violation of privileged relationships between doctor and patient, attorney and client, and on a broader level the threat to the privacy of any citizen who is not suspected of involvement in a crime.

#### POTENTIAL REMEDIES

Eighteen bills were introduced in the last Congress to reverse the Stanford Daily decision. Sponsors of these measures range across the political spectrum from Rep. Drinan of Massachusetts to Senator Dole. A number include restrictions on searches directed against all third parties at the federal level only. Others provide press-only or varying degrees of protection for other third parties at the federal and state level.

In its study, the Justice Department evaluated the full range of potential legislative and administrative remedies. A copy of their complete report is attached at Tab A.

#### OPTION I - JUSTICE DEPARTMENT PROPOSAL

The Department is recommending the submission of an Administration bill with the following major provisions:

##### Coverage

- o The bill restricts federal and state warrants against the press and others preparing materials for publication in interstate commerce. This would protect academics and researchers, but would not protect other third parties, whether doctors, clergy, lawyers, or ordinary citizens.
- o Protection of other third parties would rest with the discretion of law enforcement officials at the federal and state levels and could be subject to legislation at the state level.

##### Limitations on Use of Search Warrants

- o Work Product. Search warrants would be prohibited against a reporter's work product (e.g., notes, tapes, photos taken in connection with plans to publish). There are two exceptions with that rule: a warrant could be issued if the holder of the evidence is himself a suspect, or if the immediate seizure of the evidence is necessary to prevent death or serious bodily injury.
- o Non Work-Product. Documentary materials which were not generated by the press (e.g., a ransom note mailed to a news facility) would be subject to a subpoena-first rule.

If the press refused to honor the subpoena in a case involving such documentary material and further delay would threaten the interests of justice, the police could -- with proper notice and opportunity for response -- seize the evidence.

Such documentary evidence could be obtained by a search warrant without first attempting a subpoena if seizure were necessary to avoid a danger to life, the holder of the evidence is a suspect in the crime, or there is a threat that the evidence would be destroyed, altered or concealed.

- o Non-Documentary Forms of Evidence (e.g., weapons, or a stolen briefcase) would be subject to search warrants in accordance with existing law.

#### Pro's

- o Responds to the most serious concerns associated with the Stanford Daily decision, that increased use of search warrants which allows the police to rummage through files might interfere with the ability of the press to gather, and freely assess and report the news.
- o Provides greater protection in the case of worker products of the press than any of the proposals introduced in the last Congress.

#### Con's

- o Will be criticized by some members of the press and civil liberties advocates on grounds that it affords no added protection for the privacy either of "privileged" third parties (e.g. protection against rummaging through the files of Ellsberg's psychiatrist) or innocent citizens in general.

The Attorney General and we recommend this option. We also recommend that we make a positive commitment to study thoroughly possible additional legislation affecting other relationships, such as doctor-patient, lawyer-client, clergy-parishioner, etc.

Nonetheless, given the strong sentiment among civil liberties advocates, including representatives of the press and professional organizations, we feel it important to present two options extending protection to non-press third parties.

#### OPTION II - LEGISLATIVE PROTECTION FOR OTHER THIRD PARTIES

This option would include all of the protections afforded to the press under the Attorney General's proposal. In addition it would extend, through legislation, "subpoena first" protections (identical to those provided for non-work products of the press) to all other third parties at the federal level only.

#### Pro's

- o Would constitute all the benefits of Option 1 plus it would be the most aggressive protection of both press and citizen privacy that the Administration could reasonably be expected to propose, and therefore immune from charges that our proposal in any way neglected the rights of the average citizen.

Con's

- o In the view of the Attorney General, a bill covering a broad definition of third parties would interfere with legitimate law enforcement investigations in a number of important situations.
- o Suspects might turn to third parties to create havens for important evidence.
- o The challenge of defining and proving third party involvement will permit additional unfounded litigation concerning the validity of warrants.
- o If the Department's concerns on the above points prove to be accurate, a statute once in place, would be very difficult to change.

OPTION III - ADMINISTRATIVE PROTECTIONS FOR OTHER THIRD PARTIES

This option would be the same option as Option 2, except that protections for non-press third parties would be initiated through regulation rather than legislation at the federal level.

Pro's

- o Same as Option 2.

Con's

- o Same as Option 2, except that regulations would be more flexible, and, if burdensome, more easily changed.

DECISION

- ☒ Option 1. Federal Statute restricting search warrants against the press at the federal and state level. Make a positive commitment to study thoroughly possible additional legislation affecting other relationships, such as doctor-patient, lawyer-client, clergy-parishioner, etc. (Recommended by the Department of Justice, Stu Eizenstat, Bob Lipshutz and the Vice President.)
- ☐ Option 2. Same as Option 1, plus statutory restrictions at the federal level only against search warrants directed at all third parties.
- ☐ Option 3. Same as Option 2, except that restrictions on search warrants directed against non-press third parties would be achieved through regulation rather than legislation.

Timing and Method of Announcement

Since there are so many legislative proposals before Congress, we believe that it is especially important to consult with Congress before we finalize our legislation. We recommend that you provisionally approve the Department proposal, subject to modifications that may be made during the consultative process. If significant changes are necessary, we will report back to you.

We believe that the press will react favorably to the Attorney General's proposal. We and Jody, therefore, recommend that you announce the new proposal if you meet with newspaper editors in early December (Jody's recommendation for such a meeting is before you now). If you prefer not to announce the decision, the Vice President would like to join the Attorney General in making the announcement.

- ☒ Approve Presidential announcement at meeting  
with newspaper editors (Unanimously recommended)
- ☐ Approve announcement by the Vice President  
and the Attorney General

J

8  
THE WHITE HOUSE  
WASHINGTON  
30 Nov 78

Phil Wise  
Sarah Weddington

The attached was returned in  
the President's outbox today.  
It is forwarded to you for  
appropriate handling.

Rick Hutcheson





THE WHITE HOUSE

WASHINGTON  
11-22-78

To: President Carter  
From: Sarah Weddington  
Re: Call Pending from Bella Abzug.

*Phil - Sarah  
The difference  
between 15 & 30  
minutes was not  
worth this flap  
J*

The National Advisory Committee for Women, which Bella Co-Chairs, in early October requested an hour's meeting with you and the Cabinet for Monday or Tuesday of this week (the anniversary of the Houston IWY meeting).

Jack Watson told me it would not be appropriate to include the Cabinet, and the Committee was informed of that long ago. I recommended a meeting with the Committee, and you approved that. Fran Voorde had thought it might be possible to schedule it this Monday or Tuesday, but decided that your schedule would best allow a meeting for 15 minutes this afternoon.

The Committee was notified of that about last Thursday, but when their staff called members to ask them to stay over for a meeting today they did not inform them of the 15-minute limitation.

Yesterday the Committee met. Gretta DeWald was there for the entire meeting. Members were upset by the 15-minute limitation, but really became agitated when Millie Jeffery (President, National Women's Political Caucus) told them of your trip to Utah. They voted, without Bella present, to cancel the meeting. Bella returned and asked them to reconsider; they debated but voted not to come.

They are meeting in Washington this morning.

THE COMMITTEE'S LETTER AND A PROPOSED RESPONSE ARE ATTACHED.

Recommended Talking Points:

1. You would be glad to meet with the Committee at a later time for 30 minutes; this is a particularly difficult time to schedule.
2. You share their concern for the impact of inflation on women, and the only way to avoid the impact of a recession is for them to help fight inflation.
3. We are mindful of the impact on women of necessary budget limitations. No decisions are yet made; you signed the WIC bill.
4. Stu Eisenstadt is available to discuss domestic policy issues; leaders in the inflation effort are available to discuss that.
5. I specifically asked to meet with the Committee this week and inform them of my work toward establishing the Interdepartmental Task Force on Women and consult on other matters; Bella wrote me that they had no time at all for me to attend their meeting.

# National Advisory Committee for Women

200 Constitution Ave. N.W., Washington, D.C. 20210  
Room C5321 (202) 523-6707

November 21, 1978

## CO-CHAIRS:

Bella S. Abzug  
Armen Delgado Votaw

## HONORARY CHAIR:

Judy Carter

President Carter  
The White House  
Washington, D.C. 20500

Dear Mr. President:

## MEMBERS:

Owanah Anderson  
Unita Blackwell  
Erma Bombeck  
Cecilia Preciado Burciaga  
Marjorie Bell Chambers  
Sey Chassler  
Mary Crisp  
Miriam I. Cruz  
Laura de Herrera  
Piilani C. Desha  
Donna E. de Varona  
Gretta Dewald  
Judith Heumann  
Koryne Horbal  
Mildred M. Jeffrey  
Jeffalyn Johnson  
Lane Kirkland  
Odessa Komer  
Florine Koole  
Elizabeth Koontz  
Esther Landa  
Brownie Ledbetter  
Mary Helen Madden  
Billie Nave Masters  
Joyce Miller  
Nancy Neuman  
Jean O'Leary  
Brenda Parker  
Claire Randall  
Carolyn Reed  
Ann Richards  
Richard Rossie  
Jill Ruckelshaus  
Eleanor Smeal  
Tin Myaing Thein  
Marlo Thomas  
Maxine Waters  
Addie Wyatt

The National Advisory Committee for Women, at its meeting here this morning, after considerable discussion voted to cancel a meeting with you at the White House scheduled for 1:15 pm to 1:30 pm tomorrow, November 22.

In explanation of why the members of the Committee who were present voted to cancel a meeting that had been requested and accepted by the Co-Chairs of this Committee, the resolution adopted by the members stated that the 15 minutes allotted by the White House for the meeting was totally insufficient for a substantive discussion with you on the major concerns of women and the issues affecting them.

In justice to you, to American women and to "the spirit of Houston," which we commemorate today, we believe the time has come to accept women as policy makers and priority setters, and we look forward to a fullscale meeting with you and members of your Administration in which we can give serious and proper attention to the women of our nation.

As you properly stated in your message to Congress September 27, the National Plan of Action adopted at the National Women's Conference in Houston is "a national agenda to achieve women's full rights and equality."

The National Advisory Committee for Women, which has the responsibility of furthering the Houston mandate, does not come to you as just another special interest group pleading for special favors. Women are a majority of the nation's population, and what happens to us affects the whole nation. Our priorities should be the nation's priorities, and we believe they warrant a comprehensive discussion with you.

more-

The Committee, which includes representatives of the major national women's organizations and constituencies, feels that it would not be properly fulfilling its advisory function if it engaged in only a brief token meeting with you. in which we could not even list our concerns, let alone exchange views and information with you.

We are particularly mindful that your Administration's priorities are being shaped without any reference to how they will affect women. We fear that if your anti-inflation policies should result in a slowdown of the economy and increased unemployment that women, as usual, will bear the brunt of the hardships.

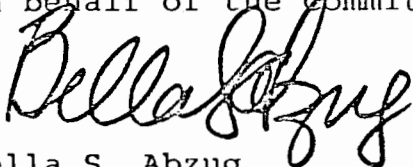
Women, who are 41% of the labor force, already are victims of enormous economic discrimination. They are the poorest of the poor. For the past two decades they have averaged about 60 cents for every dollar earned by their male counterparts. Their unemployment rate is 7.2%, considerably higher than the unemployment rate for men. The jobless rate for minority women is twice as high as for white women, and among black teenage women it is a shocking 36.8%.

We are also distressed at your proposal to waste \$2 billion on a so-called civil defense program and your proposal to increase the military budget by three percent when at the same time you are proposing to cut back \$15 billion in programs for public service jobs, health care, education and other socially necessary programs. It appears to us that once again, women will be called on to make disproportionate sacrifices.

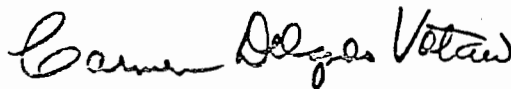
We make these points briefly not in any contentious sense nor do we feel that there was any intentional decision to slight the needs of women. We fully appreciate the fact that your Administration has been very responsive and cooperative on women's issues and we express our views on your record in a statement and analysis which was prepared for our meeting with you. We shall forward these to you separately.

We recognize that we have made some advances, but we still have a long way to go to reach equality. We look forward to a renewed and intensified commitment to that goal by our government.

In behalf of the committee and with kindest regards,



Bella S. Abzug  
Co-Chair



Carmen Delgado Votaw  
Co-Chair

g

THE WHITE HOUSE  
WASHINGTON



30 Nov 78

Arnie Miller

The attached was returned in  
the President's outbox today  
It is forwarded to you for  
your information. The original  
has been given to Bob Linder  
for appropriate handling.

Rick Hutcheson

cc: Bob Linder



THE WHITE HOUSE

WASHINGTON

November 15, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ARNIE J. MILLER *AM*

SUBJECT:

Recess Appointment

I recommend your approval of the commission for the Recess Appointment of George M. Seignious II, of South Carolina, to be Director of the Arms Control and Disarmament Agency, vice Paul Warnke, resigned.

This Recess Appointment should be effective December 1, 1978.

You approved this action on November 10.

I recommend your approval of the commission for this Recess Appointment:

✓ Yes

                     No

*J*

FOR IMMEDIATE RELEASE

NOVEMBER 16, 1978

Office of the White House Press Secretary

---

THE WHITE HOUSE

The President today announced that he will appoint retired Army Lieutenant General George M. Seignious, II, as director of the U.S. Arms Control and Disarmament Agency, effective December 1, 1978. On October 20, 1978, the President announced his intention to nominate General Seignious for this position when the Senate reconvenes.

Seignious, 57, has served as the "at large" member of the President's SALT negotiating delegation since September, 1977.

# # #

OCTOBER 20, 1978

Office of the White House Press Secretary

---

## THE WHITE HOUSE

The President today announced his intention to nominate retired Army Lieutenant General George M. Seignious, II, to be director of the U.S. Arms Control and Disarmament Agency. Seignious has served as the "at large" member of the President's SALT negotiating delegation since September, 1977.

General Seignious was born June 21, 1921, in Orangeburg, South Carolina. He graduated from The Citadel in 1942, receiving a Regular Army commission as second lieutenant of infantry. During World War II, he served in Europe with the 10th Armored Division and rose from Platoon Leader to Assistant Operations Officer of the Division.

Seignious' duty assignments have included serving as military assistant and executive assistant to the secretary of the Army; director of the Policy Planning Staff in the Office of the Assistant Secretary of Defense (International Security Affairs); military adviser to Governor Harriman and Ambassador Vance at the Paris Peace Talks on Vietnam; Commanding General of the 3d U.S. Infantry Division; U.S. Commander in Berlin; and adviser to Ambassador Rush during the Quadripartite negotiations in Berlin in 1971.

In 1971 and 1972 Seignious served as deputy assistant secretary of defense (security assistance) and director of the Defense Security Assistance Agency. From 1972 to 1974 he was director of the Joint Staff for the Joint Chiefs of Staff. He retired from the Army in 1974, and since then has been president of The Citadel.

# # #

FOR IMMEDIATE RELEASE

NOVEMBER 16, 1978

Office of the White House Press Secretary

---

THE WHITE HOUSE

The President today announced that he will appoint retired Army Lieutenant General George M. Seignious, II, as director of the U.S. Arms Control and Disarmament Agency, effective December 1, 1978. On October 20, 1978, the President announced his intention to nominate General Seignious for this position when the Senate reconvenes.

Seignious, 57, has served as the "at large" member of the President's SALT negotiating delegation since September, 1977.

# # #



11:45 AM

THE WHITE HOUSE  
WASHINGTON  
November 29, 1978

C  
—

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

SUBJECT:

Meeting with Secretary Califano  
November 30, 1978  
11:45 a.m.

---

You are scheduled to meet with Secretary Califano for fifteen minutes at his request. He asked for the meeting to discuss a personal matter and to report to you briefly on his recent foreign travel.

Since I will be in California attending George Moscone's funeral, my Deputy Gene Eidenberg will bring Joe into your office for the meeting.

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

C

NOV. 30, 1978

MR. PRESIDENT

THE DENTIST WILL BE HERE AT  
5:00 P.M. HE THOUGHT IT WOULD BE  
BETTER TO SEE YOU AFTER THE NEWS  
CONFERENCE.

PHIL

8

THE WHITE HOUSE  
WASHINGTON

30 Nov 78

Landon Butler

The attached was returned in  
the President's outbox today.  
It is forwarded to you for  
your information. The original  
has been sent to stripping  
for mailing.

Rick Hutcheson

cc: Stripping

BILL DuCHESSI is Legislative and Political Education  
Director

Amalgamated Clothing and Textile Workers Union

and has been in and out of the hospital during  
the last two months. His birthday was  
November 29.

per Landon Butler

THE WHITE HOUSE  
WASHINGTON

11/30/78

RICK:

Could we get this signed?

I would appreciate a copy of  
the dated and signed copy for  
LB's files.

Thanks.



Karen Jarrell

THE WHITE HOUSE  
WASHINGTON

To Bill DuChessi

Rosalynn and I send to you our best wishes  
for a happy birthday and a speedy return to  
good health.

Sincerely,

*Jimmy Carter*

Bill DuChessi  
4701 Willard Avenue  
Chevy Chase, Maryland 20015

9  
1  
November 29, 1978

TO: Judge Bell  
FROM: Phil Jordan *Phil*  
RE: Report on President's Visit to Salt Lake City.

Jim Jardine called yesterday. Among other things, he reported that the President's recent visit to Salt Lake City had been a tour de force. The President's obviously very sincere talk on the family at the Tabernacle was exceptionally well received, and the President won many additional hearts by staying longer than scheduled and by wading into the crowd outside the Tabernacle after the talk.

As you know, Jim is a Bishop in the Mormon Church and a Republican, and a rising star on the Utah scene. As a result, he has many contacts in the church, in that "other" party, and in influential legal and business circles. He told me that several members of all three of these groups already have commented to him that they are "reassessing" their earlier negative impressions of Carter, simply as a result of this visit. Jim says the potential for turnaround is there.

*Mr. President:*

*For your info. Jim Jardine was a White House Fellow, assigned to me, and only recently returned to Salt Lake City.*

*Imvin B. Beebe*  
*Nov. 29, 1978*

THE WHITE HOUSE  
WASHINGTON  
30 Nov 78

Landon Butler

The attached was returned in the President's outbox today. It is forwarded to you for your information. The original has been sent to stripping for mailing.

Rick Hutcheson

cc: stripping



8

THE WHITE HOUSE  
WASHINGTON

RICK:

Landon would like to send the attached letter to Thomas Murphy, President of Bricklayers. It's wording is in line with presidential letters to Doug Fraser and Fitzsimmons.

Please let me have a copy of signed letter if approved.

Thanks.



Karen Jarrell

THE WHITE HOUSE

WASHINGTON

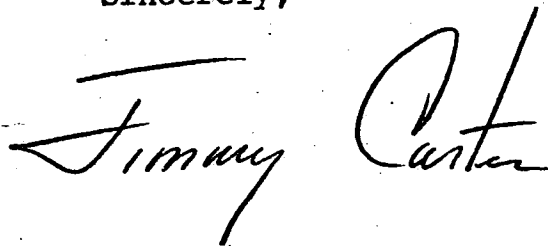
November 30, 1978

To Thomas Murphy

I was encouraged by your support of my anti-inflation program.

Our program is reasonable and workable, but we will need the cooperation of all labor and employer groups. The federal government will fulfill its role.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

Thomas J. Murphy, President  
International Union of Bricklayers  
and Allied Craftsmen  
815 15th Street, NW  
Washington, DC 20005

*Thanks! I need your help!*

Office of the President

October 30, 1978

The President of the United States  
The White House  
Washington, D. C.

Dear Mr. President:

Along with millions of other Americans I listened to your talk on October 24, 1978 which dealt with our most serious domestic problem--Inflation--and your proposals to contain it.

Since then I have been giving careful thought to the steps you enunciated that evening and agree completely that we must adopt the best approaches there are and to continue to look for additional measures which may be effective.

Further I concur that if we do not take some steps toward solution of the menace of inflation, even at the risk of partial failure, we will certainly be ensuring failure by not trying at all.

Therefore, I wish to voice my approval of your approach to the problem and to second your belief that something must be done at once. I further pledge that I will use the influence of my office as president of this International Union to persuade our subordinate Local Unions to exercise reasonableness in line with your thinking in their demands at the bargaining table.

Respectfully,

*Thomas F. Murphy*

Thomas F. Murphy,  
President

TFM:gc

*approx. 143,000 members*

*James - The Union  
should be a part of it*

*Kader -*

*Could you please check*

THE WHITE HOUSE  
WASHINGTON

*Friday*  
*12:45 pm*

November 29, 1978

MR. PRESIDENT

SECRETARY BLUMENTHAL HAS ASKED FOR A  
15-MINUTE APPOINTMENT TO DISCUSS HIS  
UPCOMING TRIP TO RUSSIA AND GERMANY,  
INTERNATIONAL FINANCIAL DEVELOPMENTS,  
THE DOLLAR, AND OIL PRICES. (HE WILL  
BE LEAVING TOWN AT 8 A.M. ON SATURDAY.)  
ZBIG RECOMMENDS A PHONE CALL TO HIM.

           APPROVE PHONE CALL

✓ APPROVE MEETING

PHIL

THE WHITE HOUSE  
WASHINGTON

30 Nov 78

Jim McIntyre  
Stu Eizenstat  
Zbig Brzezinski

The attached was returned in  
the President's outbox today.  
It is forwarded to you for  
your information. The original  
has been given to Bob Linder  
for handling.

Rick Hutcheson

cc: BOB LINDER

6004

THE WHITE HOUSE  
WASHINGTON

11/30

Per Hower,

Only send in 11/29 McI  
memo + letter to Sec

Brown.

Cl'd w/ FD on new dates - still n.c.

T. S. 4

THE WHITE HOUSE  
WASHINGTON

Mr. President:

DPS, NSC and Congressional Liaison concur with McIntyre. Pettigrew also concurs and believes that the Chiefs and the Service Secretaries could "help blunt criticism of the President's Defense budget posture by helping out in this area."

Phil and Fran have no comments.

The speechwriters' office has reviewed the text of the attached letter.

Rick/Bill



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

29 NOV 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *J. McIntyre*

SUBJECT: Reform of the Military Compensation System

In April 1978 the President's Commission on Military Compensation (PCMC) -- headed by Charlie Zwick -- submitted its report. The principal recommendations, all of which are highly controversial, would

- drastically restructure the military retirement system with a deferred income trust fund coupled with an old age annuity replacing the current immediate annuity system,
- permit differential allocation of the annual military pay raise by service and specialty to solve manning problems,
- award special and incentive pays only to prevent or alleviate manning shortages.

While I believe many of us could support the Commission's recommendations virtually in total, it is clear that the Department of Defense cannot. For the past six months, the Department has been reviewing the report in an effort to develop a reform package which could be supported by, or at least acceptable to, the uniformed services. While this review is still not complete, it appears that the eventual Defense position, particularly in the retirement area, will differ significantly from the Commission's recommendations and will not constitute a truly substantial reform of the type which you and many of your advisors have sought.

Developing a significant reform of the retirement system acceptable to the military leadership has been particularly difficult. All three Services object strongly to the PCMC proposals. Defense staff is considering three general classes of retirement systems -- and within each class a spectrum of variations -- in an attempt to find a consensus. Unresolved issues on retirement include:

- the level of benefits to be paid, with many options even more costly than the current system,
- The conceptual form of payment with options ranging from a traditional monthly payment for life (the current system) to a large lump sum cash payment at separation from active duty combined with a monthly payment commencing at old age.



I believe the substantive differences and the political obstacles to be dealt with warrant an immediate discussion with Secretary Brown before he makes his final decision both as to substance and timing.

The first session of the next Congress offers the best hope of favorable action (the second session being an election year holds little prospect for major legislative changes in this area). Thus, it is important that we not miss the FY 1980 budget. While Secretary Brown favors reform, the military departments are quite content with the current system, and delay in reaching agreement on an Administration pay reform package is in their interest. I believe that only your announced personal commitment can exert the kind of strong pressure that will be needed to complete the details of the legislative proposal for submission to Congress by no later than March-April 1979.

Accordingly, I would suggest the following steps:

- A preliminary informal discussion between yourself, Secretary Brown, and me immediately after the Defense review on December 4, to allow Harold to brief you on how far he feels the Services would be willing to go.
- A letter to Secretary Brown asking for his recommendation by December 11.
- A final decision meeting with you and Secretary Brown shortly after December 15.
- If appropriate, a meeting between you and the Service Secretaries and Chiefs to urge their wholehearted support. 7

If you believe this approach is appropriate, please sign the attached letter and I will inform Secretary Brown that we will discuss compensation reform at the Monday meeting.

✓  
\_\_\_\_\_ Approve

\_\_\_\_\_ Defer pending outcome  
of internal DOD process.

J

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE

I would like to propose in the FY 1980 budget a comprehensive reform of the compensation systems now in place for federal civilians, both white and blue collar, and for military personnel.

The first session of the next Congress offers the best hope of favorable action on these proposals. Thus, it is important that we not miss the 1980 budget.

To do this I need your recommendations on the conclusions reached by the Commission on Military Compensation no later than December 11, 1978.

*Jimmy Carter*

Bill

THE WHITE HOUSE  
WASHINGTON

Agenda items  
on (Military  
Compensation)  
Military men.

TO BILL SIMON

FROM: MARI

RE McIntyre Memo on Reform of the Military Comp System  
-- CL's comments:

Any reforms will be controversial, so they should be thoroughly discussed with interested Members; in the Senate, particularly Stennis and Nunn. (DT)

*Rec'd  
100/ale*



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

28 NOV 1978

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. McIntyre, Jr. *JTM*  
SUBJECT: Reform of the Military Compensation System

In my memorandum of November 15, 1978 I reported to you on the status of the Defense Department review of the report of the President's Commission on Military Compensation.

It is important that we announce any proposed reforms in the FY 1980 budget. In order to do this we need Secretary Brown's recommendations as soon as possible.

I am attaching a memorandum from you to Secretary Brown requesting that he provide you his recommendations no later than December 11, 1978.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE

I would like to propose in the FY 1980 budget a comprehensive reform of the compensation systems that we now have in place for federal civilians, both white and blue collar, and for military personnel.

The first session of the next Congress offers the best hope of favorable action on these proposals. Thus it is important that we not miss the 1980 budget.

In order to do this I need by no later than December 11, 1978 your recommendations on the conclusions reached by the Commission on Military Compensation.

ID 786004

THE WHITE HOUSE

WASHINGTON

DATE: 28 NOV 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

RICHARD PETTIGREW

BERNIE ARONSON

INFO ONLY:

SUBJECT: MCINTYRE MEMO RE REFORM OF THE MILITARY COMPENSATION  
SYSTEM

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: +  
+++++

ACTION REQUESTED: YOUR COMMENTS IMMEDIATE TURNAROUND

STAFF RESPONSE: ☒ I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

As previously stated concerning this subject, the Chiefs and the Service Secretaries could help blunt the criticism of the President's Defense budget posture by helping out in this area.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

28 NOV 1978

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. McIntyre, Jr. *Jim*  
SUBJECT: Reform of the Military Compensation System

In my memorandum of November 15, 1978 I reported to you on the status of the Defense Department review of the report of the President's Commission on Military Compensation.

It is important that we announce any proposed reforms in the FY 1980 budget. In order to do this we need Secretary Brown's recommendations as soon as possible.

I am attaching a memorandum from you to Secretary Brown requesting that he provide you his recommendations no later than December 11, 1978.



THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE

I would like to propose in the FY 1980 budget a comprehensive reform of the compensation systems that we now have in place for federal civilians, both white and blue collar, and for military personnel.

The first session of the next Congress offers the best hope of favorable action on these proposals. Thus it is important that we not miss the 1980 budget.

In order to do this I need by no later than December 11, 1978 your recommendations on the conclusions reached by the Commission on Military Compensation.

ID 786004

THE WHITE HOUSE

WASHINGTON

DATE: 28 NOV 78

FOR ACTION: STU EIZENSTAT *concur*

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

RICHARD PETTIGREW *concur + note*

BERNIE ARONSON

INFO ONLY:

SUBJECT: MCINTYRE MEMO RE REFORM OF THE MILITARY COMPENSATION  
SYSTEM

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: +  
+++++

ACTION REQUESTED: YOUR COMMENTS IMMEDIATE TURNAROUND

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

ID 786004

THE WHITE HOUSE

WASHINGTON

DATE: 28 NOV 78

FOR ACTION: STU EIZENSTAT FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

RICHARD PETTIGREW

BERNIE ARONSON

INFO. ONLY:

SUBJECT: MCINTYRE MEMO RE REFORM OF THE MILITARY COMPENSATION  
SYSTEM

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS IMMEDIATE TURNAROUND

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*see edited draft  
11/29/78 B.A.  
Being retyped in London 11/29*



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

28 NOV 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*

SUBJECT: Reform of the Military Compensation System

In my memorandum of November 15, 1978 I reported to you on the status of the Defense Department review of the report of the President's Commission on Military Compensation.

It is important that we announce any proposed reforms in the FY 1980 budget. In order to do this we need Secretary Brown's recommendations as soon as possible.

I am attaching a memorandum from you to Secretary Brown requesting that he provide you his recommendations no later than December 11, 1978.

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE

I would like to propose in the FY 1980 budget a comprehensive reform of the compensation systems ~~that we now have~~ in place for federal civilians, both white and blue collar, and for military personnel.

The first session of the next Congress offers the best hope of favorable action on these proposals. Thus, it is important that we not miss the 1980 budget

~~I would like to do this I need by no later than December 11, 1978~~ your recommendations on the conclusions reached by the Commission on Military Compensation

Ben retyped

MEMORANDUM

NATIONAL SECURITY COUNCIL

7187

November 30, 1978

MEMORANDUM FOR: RICK HUTCHESON  
THROUGH: MADELEINE ALBRIGHT *sub*  
FROM: CHRISTINE DODSON *ditto*  
SUBJECT: Jim McIntyre's Memo to the President on  
the Military Compensation System Reform

We agree with OMB's position that the 1980 budget affords the Administration the best near-term opportunity of favorable action on the compensation reform proposal.

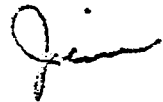
While Congress already has a full menu of procurement and personnel issues for 1980, we believe that it is important to carry this issue forward as yet another indicator of the Administration's deep concern about inflation and its interest in better, more efficient, government. Adding compensation reform to the ongoing effort to obtain a Defense Officer Personnel Management Act (DOPMA) may resurrect Congressional discussion of a host of manpower issues relating to, for example, the all-volunteer force and reserve force strengths.

On balance, though, we recommend that the President sign the memo to Harold Brown.

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

28 NOV 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. 

SUBJECT: Reform of the Military Compensation System

In my memorandum of November 15, 1978 I reported to you on the status of the Defense Department review of the report of the President's Commission on Military Compensation.

It is important that we announce any proposed reforms in the FY 1980 budget. In order to do this we need Secretary Brown's recommendations as soon as possible.

I am attaching a memorandum from you to Secretary Brown requesting that he provide you his recommendations no later than December 11, 1978.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE

I would like to propose in the FY 1980 budget a comprehensive reform of the compensation systems that we now have in place for federal civilians, both white and blue collar, and for military personnel.

The first session of the next Congress offers the best hope of favorable action on these proposals. Thus it is important that we not miss the 1980 budget.

In order to do this I need by no later than December 11, 1978 your recommendations on the conclusions reached by the Commission on Military Compensation.



THE WHITE HOUSE

DATE: 15 NOV 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

RICHARD PETTIGREW

FRAN VOORDE

PHIL WISE

INFO ONLY: THE VICE PRESIDENT

**JACK WATSON**

SUBJECT: MCINTYRE MEMO RE REFORM OF THE MILITARY COMPENSATION  
SYSTEM

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM FRIDAY 17 NOV 78 +

**ACTION REQUESTED: YOUR COMMENTS**

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

15 NOV 1978

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. McIntyre, Jr. *JTM*  
SUBJECT: Reform of the Military Compensation System

In April 1978 the President's Commission on Military Compensation (PCMC) -- headed by Charlie Zwick -- submitted its report. The principal recommendations, all of which are highly controversial, would

- drastically restructure the military retirement system with a deferred income trust fund coupled with an old age annuity replacing the current immediate annuity system,
- permit differential allocation of the annual military pay raise by service and specialty to solve manning problems,
- award special and incentive pays only to prevent or alleviate manning shortages.

While I believe many of us could support the Commission's recommendations virtually in total, it is clear that the Department of Defense cannot. For the past six months, the Department has been reviewing the report in an effort to develop a reform package which could be supported by, or at least acceptable to, the uniformed services. While this review is still not complete, it appears that the eventual Defense position, particularly in the retirement area, will differ significantly from the Commission's recommendations and will not constitute a truly substantial reform of the type which you and many of your advisors have sought.

Developing a significant reform of the retirement system acceptable to the military leadership has been particularly difficult. All three Services object strongly to the PCMC proposals. Defense staff is considering three general classes of retirement systems -- and within each class a spectrum of variations -- in an attempt to find a consensus. Unresolved issues on retirement include:

- the level of benefits to be paid, with many options even more costly than the current system,
- the conceptual form of payment with options ranging from a traditional monthly payment for life (the current system) to a large lump sum cash payment at separation from active duty combined with a monthly payment commencing at old age.

I believe the substantive differences and the political obstacles to be dealt with warrant an immediate discussion with Secretary Brown before he makes his final decision both as to substance and timing.

The first session of the next Congress offers the best hope of favorable action (the second session being an election year holds little prospect for major legislative changes in this area). Thus, it is important that we not miss the FY 1980 budget. While Secretary Brown favors reform, the military departments are quite content with the current system, and delay in reaching agreement on an Administration pay reform package is in their interest. I believe that only your announced personal commitment can exert the kind of strong pressure that will be needed to complete the details of the legislative proposal for submission to Congress by no later than March-April 1979.

Accordingly, I would suggest the following steps:

- A preliminary informal meeting between yourself, Secretary Brown, and me within the next two weeks, to allow Harold to brief you on how far he feels the Services would be willing to go.
- A tentative decision by Secretary Brown by November 22.
- Discussions within the Executive Office and with key Congressional leaders between November 22 - December 15.
- A final decision meeting with you and Secretary Brown shortly after December 15.
- If appropriate, a meeting between you and the Service Secretaries and Chiefs to urge their wholehearted support.

If you believe this approach is appropriate, I will set up such an initial meeting in the next 2-3 weeks.

\_\_\_\_\_ Approve                      \_\_\_\_\_ Defer pending outcome of  
internal DOD process.

WASHINGTON

DATE: 15 NOV 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

RICHARD PETTIGREW

FRAN VOORDE

PHIL WISE

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

SUBJECT: MCINTYRE MEMO RE REFORM OF THE MILITARY COMPENSATION  
SYSTEM

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM FRIDAY 17 NOV 78 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: (✓) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

The political climate is right to press for the Zwick Commission's proposed reforms. By taking on this issue, the President will blunt to some extent the coming criticism of social and domestic budget cuts that are deeper than those perceived for Defense. It is time for the Chiefs and the Service Secretaries to recognize their obligation to help in this area as the President takes the heat for a proportionately higher Defense budget.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

15 NOV 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. (Signed) **J** Jim

SUBJECT: Reform of the Military Compensation System

In April 1978 the President's Commission on Military Compensation (PCMC) -- headed by Charlie Zwick -- submitted its report. The principal recommendations, all of which are highly controversial, would

- drastically restructure the military retirement system with a deferred income trust fund coupled with an old age annuity replacing the current immediate annuity system,
- permit differential allocation of the annual military pay raise by service and specialty to solve manning problems,
- award special and incentive pays only to prevent or alleviate manning shortages.

While I believe many of us could support the Commission's recommendations virtually in total, it is clear that the Department of Defense cannot. For the past six months, the Department has been reviewing the report in an effort to develop a reform package which could be supported by, or at least acceptable to, the uniformed services. While this review is still not complete, it appears that the eventual Defense position, particularly in the retirement area, will differ significantly from the Commission's recommendations and will not constitute a truly substantial reform of the type which you and many of your advisors have sought.

Developing a significant reform of the retirement system acceptable to the military leadership has been particularly difficult. All three Services object strongly to the PCMC proposals. Defense staff is considering three general classes of retirement systems -- and within each class a spectrum of variations -- in an attempt to find a consensus. Unresolved issues on retirement include:

- the level of benefits to be paid, with many options even more costly than the current system,
- The conceptual form of payment with options ranging from a traditional monthly payment for life (the current system) to a large lump sum cash payment at separation from active duty combined with a monthly payment commencing at old age.

I believe the substantive differences and the political obstacles to be dealt with warrant an immediate discussion with Secretary Brown before he makes his final decision both as to substance and timing.

The first session of the next Congress offers the best hope of favorable action (the second session being an election year holds little prospect for major legislative changes in this area). Thus, it is important that we not miss the FY 1980 budget. While Secretary Brown favors reform, the military departments are quite content with the current system, and delay in reaching agreement on an Administration pay reform package is in their interest. I believe that only your announced personal commitment can exert the kind of strong pressure that will be needed to complete the details of the legislative proposal for submission to Congress by no later than March-April 1979.

Accordingly, I would suggest the following steps:

- A preliminary informal meeting between yourself, Secretary Brown, and me within the next two weeks, to allow Harold to brief you on how far he feels the Services would be willing to go.
- A tentative decision by Secretary Brown by November 22.
- Discussions within the Executive Office and with key Congressional leaders between November 22 - December 15.
- A final decision meeting with you and Secretary Brown shortly after December 15.
- If appropriate, a meeting between you and the Service Secretaries and Chiefs to urge their wholehearted support.

If you believe this approach is appropriate, I will set up such an initial meeting in the next 2-3 weeks.

\_\_\_\_\_ Approve

\_\_\_\_\_ Defer pending outcome of  
internal DOD process.

ID 785847

THE WHITE HOUSE

WASHINGTON

DATE: 15 NOV 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

RICHARD PETTIGREW

FRAN VOORDE

PHIL WISE

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

SUBJECT: MCINTYRE MEMO RE REFORM OF THE MILITARY COMPENSATION  
SYSTEM

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM FRIDAY 17 NOV 78 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. (✓) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*SP*



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

15 NOV 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. (Signed) Jim

SUBJECT: Reform of the Military Compensation System

In April 1978 the President's Commission on Military Compensation (PCMC) -- headed by Charlie Zwick -- submitted its report. The principal recommendations, all of which are highly controversial, would

- drastically restructure the military retirement system with a deferred income trust fund coupled with an old age annuity replacing the current immediate annuity system,
- permit differential allocation of the annual military pay raise by service and specialty to solve manning problems,
- award special and incentive pays only to prevent or alleviate manning shortages.

While I believe many of us could support the Commission's recommendations virtually in total, it is clear that the Department of Defense cannot. For the past six months, the Department has been reviewing the report in an effort to develop a reform package which could be supported by, or at least acceptable to, the uniformed services. While this review is still not complete, it appears that the eventual Defense position, particularly in the retirement area, will differ significantly from the Commission's recommendations and will not constitute a truly substantial reform of the type which you and many of your advisors have sought.

Developing a significant reform of the retirement system acceptable to the military leadership has been particularly difficult. All three Services object strongly to the PCMC proposals. Defense staff is considering three general classes of retirement systems -- and within each class a spectrum of variations -- in an attempt to find a consensus. Unresolved issues on retirement include:

- the level of benefits to be paid, with many options even more costly than the current system,
- The conceptual form of payment with options ranging from a traditional monthly payment for life (the current system) to a large lump sum cash payment at separation from active duty combined with a monthly payment commencing at old age.



I believe the substantive differences and the political obstacles to be dealt with warrant an immediate discussion with Secretary Brown before he makes his final decision both as to substance and timing.

The first session of the next Congress offers the best hope of favorable action (the second session being an election year holds little prospect for major legislative changes in this area). Thus, it is important that we not miss the FY 1980 budget. While Secretary Brown favors reform, the military departments are quite content with the current system, and delay in reaching agreement on an Administration pay reform package is in their interest. I believe that only your announced personal commitment can exert the kind of strong pressure that will be needed to complete the details of the legislative proposal for submission to Congress by no later than March-April 1979.

Accordingly, I would suggest the following steps:

- A preliminary informal meeting between yourself, Secretary Brown, and me within the next two weeks, to allow Harold to brief you on how far he feels the Services would be willing to go.
- A tentative decision by Secretary Brown by November 22.
- Discussions within the Executive Office and with key Congressional leaders between November 22 - December 15.
- A final decision meeting with you and Secretary Brown shortly after December 15.
- If appropriate, a meeting between you and the Service Secretaries and Chiefs to urge their wholehearted support.

If you believe this approach is appropriate, I will set up such an initial meeting in the next 2-3 weeks.

\_\_\_\_\_ Approve

\_\_\_\_\_ Defer pending outcome of  
internal DOD process.

ID 785847

T H E   W H I T E   H O U S E

WASHINGTON

DATE:        15 NOV 78

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

RICHARD PETTIGREW

FRAN VOORDE

PHIL WISE

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

SUBJECT:    MCINTYRE MEMO RE REFORM OF THE MILITARY COMPENSATION  
             SYSTEM

+++++

+    RESPONSE DUE TO RICK HUTCHESON    STAFF SECRETARY (456-7052)    +

+        BY:    1200 PM FRIDAY        17 NOV 78        +

+++++

ACTION REQUESTED: ~~YOUR~~ COMMENTS

STAFF RESPONSE: ( ☒ ) I CONCUR.    (    ) NO COMMENT.    (    ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

15 NOV 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. (Signed) Jim

SUBJECT: Reform of the Military Compensation System

In April 1978 the President's Commission on Military Compensation (PCMC) -- headed by Charlie Zwick -- submitted its report. The principal recommendations, all of which are highly controversial, would

- drastically restructure the military retirement system with a deferred income trust fund coupled with an old age annuity replacing the current immediate annuity system,
- permit differential allocation of the annual military pay raise by service and specialty to solve manning problems,
- award special and incentive pays only to prevent or alleviate manning shortages.

While I believe many of us could support the Commission's recommendations virtually in total, it is clear that the Department of Defense cannot. For the past six months, the Department has been reviewing the report in an effort to develop a reform package which could be supported by, or at least acceptable to, the uniformed services. While this review is still not complete, it appears that the eventual Defense position, particularly in the retirement area, will differ significantly from the Commission's recommendations and will not constitute a truly substantial reform of the type which you and many of your advisors have sought.

Developing a significant reform of the retirement system acceptable to the military leadership has been particularly difficult. All three Services object strongly to the PCMC proposals. Defense staff is considering three general classes of retirement systems -- and within each class a spectrum of variations -- in an attempt to find a consensus. Unresolved issues on retirement include:

- the level of benefits to be paid, with many options even more costly than the current system,
- The conceptual form of payment with options ranging from a traditional monthly payment for life (the current system) to a large lump sum cash payment at separation from active duty combined with a monthly payment commencing at old age.

I believe the substantive differences and the political obstacles to be dealt with warrant an immediate discussion with Secretary Brown before he makes his final decision both as to substance and timing.

The first session of the next Congress offers the best hope of favorable action (the second session being an election year holds little prospect for major legislative changes in this area). Thus, it is important that we not miss the FY 1980 budget. While Secretary Brown favors reform, the military departments are quite content with the current system, and delay in reaching agreement on an Administration pay reform package is in their interest. I believe that only your announced personal commitment can exert the kind of strong pressure that will be needed to complete the details of the legislative proposal for submission to Congress by no later than March-April 1979.

Accordingly, I would suggest the following steps:

- A preliminary informal meeting between yourself, Secretary Brown, and me within the next two weeks, to allow Harold to brief you on how far he feels the Services would be willing to go.
- A tentative decision by Secretary Brown by November 22.
- Discussions within the Executive Office and with key Congressional leaders between November 22 - December 15.
- A final decision meeting with you and Secretary Brown shortly after December 15.
- If appropriate, a meeting between you and the Service Secretaries and Chiefs to urge their wholehearted support.

If you believe this approach is appropriate, I will set up such an initial meeting in the next 2-3 weeks.

\_\_\_\_\_ Approve

\_\_\_\_\_ Defer pending outcome of  
internal DOD process.